

**TRESU Investment Holding A/S**

**Venusvej 44**

**6000 Kolding**

**Company Reg. No. 37553727**

**Interim financial report**

**Q3 2021**

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## Statement by the Board of Directors and the Executive Board on the interim financial report

The Board of Directors and the Executive Board have today considered and approved the interim financial report of TRESU Investment Holding A/S for the period from 1 July 2021 to 30 September 2021.

The interim financial report is prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

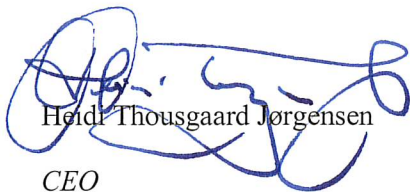
In our opinion, the interim financial report gives a true and fair view of the Group's financial position as at 30 September 2021 and the results of their operations and cash flows for the period from 1 January 2021 to 30 September 2021.

In our opinion, the management commentary includes a fair representation of the development in the Group's business and financial matters, the results for the quarter and of the Group's financial position and the financial position as a whole for the entities included in the consolidated financial statements.

In addition to the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual report 2020.

Kolding, Denmark,

### Executive Board

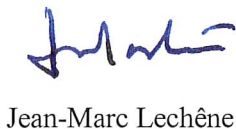


Heidi Thousgaard Jørgensen  
*CEO*



Jannie Tholstrup  
*CFO*

### Board of Directors



Jean-Marc Lechêne

Chairman

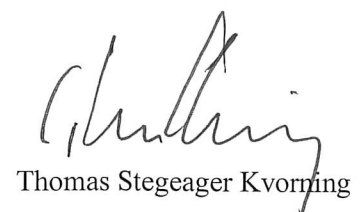


Stephan Plenz

Ola Harald Ericsi



Søren Dan Johansen



Thomas Stegeager Kvorning

**Management commentary**

	Q3 2021	Q3 2020	1/1-30/9 2021	1/1-30/9 2020	2020
<b>Key figures (DKK'000)</b>					
Revenue	87,788	63,507	243,797	233,209	302,089
Gross profit/loss	6,918	-982	14,995	22,780	17,160
Operating profit/loss	(11,100)	(21,733)	(39,569)	(42,304)	(63,338)
Net financials	(8,026)	(8,419)	(23,291)	(23,533)	(29,540)
Profit/loss for the period	(16,463)	(27,126)	(53,229)	(55,854)	(74,673)
Total assets	773,705	816,228	773,705	816,228	815,534
Investments in property, plant and equipment	0	431	1,289	6,147	1,268
Equity	(104,399)	(26,224)	(104,399)	(26,224)	(50,713)
<b>Ratios</b>					
Gross margin (%)	7,9	-	6,4	9,8	5,7
Net margin (%)	(18,8)	(42,7)	(24,4)	(23,9)	(24,7)
Return on equity (%)	-	-	-	-	-
Equity ratio (%)	-	-	-	-	-
Return of assets	-	-	-	-	-

**Ratios****Calculation formula**

Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Return of assets (%)	$\frac{\text{Profit before financial income and expenses} \times 100}{\text{Total assets}}$	Profit from invested capital

### **Q3 2021**

The consolidated revenue for Q3 2021 is DKK 87,8m and Operating loss (EBIT) for Q3 2021 is DKK -11,1m. The result in the Group is impacted by amortization of surplus values capitalized as part of the purchase price allocation. The total amount amortized in Q3 was DKK 12,3m.

The consolidated revenue for YTD 2021 is DKK 243,8m and Operating loss (EBIT) for YTD 2021 is DKK -39,6m. The result in the Group is impacted by amortization of surplus values capitalized as part of the purchase price allocation. The total amount amortized in YTD 2021 was DKK 37,0m.

At the end of Q3 2021 total assets was DKK 773,8 and total equity amounted to DKK -104,4m.

The financial results of Q3 2021 are in line with the re-vised expectations for 2021.

### **Outlook**

The outlook for the Group for 2021 is revenue growth in the area of 10-20% on 2020, and an EBITDA margin around 10.0% (adjusted for potential one-off effects). In addition, we expect positive cash flow from operating activities in 2021.

**Consolidated statement of profit or loss and other comprehensive income**

DKK'000	Note	Q3 2021	Q3 2020	1/1-30/9 2021	1/1-30/9 2020	2020
<b>Revenue</b>	4	87,788	63,507	243,797	233,209	302,089
Production costs <sup>A</sup>		(80,870)	(64,489)	(228,802)	(210,429)	(284,929)
<b>Gross profit/(loss)</b>		<b>6,918</b>	<b>(982)</b>	<b>14,995</b>	<b>22,780</b>	<b>17,160</b>
Distribution costs		(10,376)	(8,881)	(28,752)	(28,824)	(38,451)
Administrative costs <sup>B</sup>		(7,948)	(11,915)	(26,194)	(39,945)	(45,833)
Other operating income		306	45	382	3,615	3,786
Other operating expenses		0	0	0	0	0
<b>Operating profit/(loss)</b>		<b>(11,100)</b>	<b>(21,733)</b>	<b>(39,569)</b>	<b>(42,304)</b>	<b>(63,338)</b>
Financial income		(193)	93	262	1,654	3,732
Financial expenses <sup>C</sup>		(7,829)	(8,512)	(23,553)	(25,187)	(25,159)
<b>Profit/(loss) before tax <sup>D</sup></b>		<b>(19,126)</b>	<b>(30,152)</b>	<b>(62,860)</b>	<b>(65,937)</b>	<b>(65,948)</b>
Tax on profit/(loss) for the period		2,662	3,026	9,631	9,983	18,205
<b>Profit/(loss) for the period</b>		<b>(16,463)</b>	<b>(27,126)</b>	<b>(53,229)</b>	<b>(55,954)</b>	<b>(74,673)</b>
Exchange rate adjustments, foreign companies*		257	(1,176)	(457)	(4)	(1,519)
Revaluation of property, plant and equipment*		-	-	-	-	-
Tax on other comprehensive income		-	-	-	-	-
Other comprehensive income, net of tax		257	(1,176)	(457)	(4)	(1,519)
<b>Total comprehensive income/(loss) for the period</b>		<b>(16,206)</b>	<b>(28,302)</b>	<b>(53,686)</b>	<b>(55,858)</b>	<b>(76,192)</b>
Profit/(loss) for the period attributable to:						
Owners of the Company		(16,463)	(27,126)	(53,229)	(55,854)	(74,673)
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company		(16,206)	(28,302)	(56,686)	(55,858)	(76,192)

Amounts related to the acquisition of TRESU Investment A/S and other non-recurring items:

DKK'000	Q3 2021	Q3 2020	1/1-30/9 2021	1/1-30/9 2020	1/1-31/12 2020
<sup>A</sup> Depreciation on assets acquired (PPA)	12,333	12,701	37,041	36,957	53,739
<sup>A</sup> Impairment of Machines and buildings (PPA)	-	-	-	-	-
<sup>B</sup> Other expenses 1)	-	8,724	2,280	15,344	18,648
<sup>B</sup> Impairment of goodwill (PPA)	-	-	-	-	-
<sup>C</sup> Interest corporate bonds	6,652	6,660	19,840	19,865	26,457
<sup>D</sup> Tax regarding other expenses, borrowing costs and corporate bonds		-	-	-	(9,923)
<sup>D</sup> Adjustments deferred tax related to PPA	<u>(2,713)</u>	<u>(3,026)</u>	<u>(8,149)</u>	<u>(9,981)</u>	<u>(16,673)</u>
	<u>16,272</u>	<u>25,059</u>	<u>51,012</u>	<u>62,185</u>	<u>72,248</u>

1) Other expenses include costs for restructuring and relocation to new facility.

**Consolidated statement of financial position - Assets**

DKK'000	Note	30 September 2021	30 September 2020	31 December 2020
Goodwill		174,000	174,000	174,000
Completed development projects		21,836	29,701	27,066
Patents and licenses*		150,298	173,416	168,787
Brand		37,900	37,900	37,900
Customer relationship*		89,903	118,796	111,573
<b>Intangible assets</b>		<b>473,956</b>	<b>533,813</b>	<b>519,326</b>
Plant and machinery		31,400	35,630	35,778
Other fixtures and fittings, tools and equipment		4,323	4,762	4,351
Leasehold improvements		3,365	3,682	3,624
Finance lease		101,865	95,294	100,869
<b>Property, plant and equipment</b>		<b>140,975</b>	<b>139,367</b>	<b>144,622</b>
Deferred tax assets		-	-	-
Deposits		10,082	10,084	10,080
<b>Other non-current assets</b>		<b>10,082</b>	<b>10,084</b>	<b>10,080</b>
<b>Non-current assets</b>		<b>624,965</b>	<b>683,264</b>	<b>674,028</b>
Inventories**		58,051	61,362	60,670
Trade receivables		31,256	21,622	29,051
Contract work in progress**		32,469	9,034	9,843
Tax receivables		2,635	1,519	5,903
Other short-term receivables		4,910	9,960	7,966
Prepayments		1,771	4,410	3,583
<b>Receivables</b>		<b>131,092</b>	<b>107,907</b>	<b>117,016</b>
<b>Cash</b>		<b>14,168</b>	<b>17,057</b>	<b>16,490</b>
Assets as held for sale		3,540	8,000	8,000
Finance lease		-	-	-
<b>Current assets</b>		<b>148,740</b>	<b>132,964</b>	<b>141,506</b>
<b>Assets</b>		<b>773,705</b>	<b>816,228</b>	<b>815,534</b>



**Consolidated statement of financial position– Equity and Liabilities**

DKK'000	Notes	30 September 2021	30 September 2020	31 December 2020
Contributed capital		2,922	2,922	2,922
Other reserves		3,044	5,016	3,501
Retained earnings		(110,365)	(34,162)	(57,136)
<b>Equity</b>		<b>(104,399)</b>	<b>(26,224)</b>	<b>(50,713)</b>
Provisions for deferred tax		69,225	67,983	83,180
Other provisions		3,827	4,633	3,110
Corporate bonds		519,253	520,103	518,322
Finance lease liabilities		88,906	86,053	90,915
Other payables		6,874	6,874	8,329
<b>Non-current liabilities</b>		<b>688,085</b>	<b>685,646</b>	<b>703,856</b>
Current portion of long-term lease liabilities		11,186	10,333	11,281
Current portion of long-term other payables		-	-	-
Bank debt		70,186	34,041	41,530
Payable group company		0	8,000	8,000
Contract liabilities**		12,817	20,287	21,455
Prepayment customers		15,766	-	19,056
Trade payables**		37,156	36,099	20,216
Income tax payable		0	-	415
Other payables		42,907	48,046	40,438
<b>Current liabilities</b>		<b>190,019</b>	<b>156,806</b>	<b>162,391</b>
<b>Total liabilities</b>		<b>878,104</b>	<b>842,452</b>	<b>866,247</b>
<b>Equity and liabilities</b>		<b>773,705</b>	<b>816,228</b>	<b>815,534</b>

## Consolidated statement of changes in equity

### Consolidated statement of changes in equity

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
<b>Equity at 1 January 2020</b>	2,922	5,020	21,692	29,634
Profit for the period	-	-	(55,854)	(55,854)
Other comprehensive income	-	(4)	-	(4)
Tax exempt contribution	-	-	-	-
<b>Equity at 30 September 2020</b>	<b>2,922</b>	<b>5,016</b>	<b>(34,162)</b>	<b>(26,224)</b>

### Consolidated statement of changes in equity

DKK'000	Contributed capital	Other reserves*	Retained earnings	Total
<b>Equity at 1 January 2021</b>	2,922	3,501	(57,136)	(50,713)
Profit for the period	-	-	(53,229)	(53,229)
Other comprehensive income	-	(457)	-	(457)
Tax exempt contribution	-	-	-	-
<b>Equity at 30 September 2021</b>	<b>2,922</b>	<b>3,044</b>	<b>(110,365)</b>	<b>(104,399)</b>

\*) Other reserves consist of exchange differences on translating foreign companies.

**Consolidated statement of cash flows**

DKK'000	YTD Sept 2021	YTD Sept 2020	Year 2020
Operating profit/loss	(39,569)	(42,304)	(63,338)
Amortisation, depreciation	52,566	46,687	76,783
Other provisions	717	(109)	719
Working capital changes	(17,960)	39,734	29,332
<b>Cash flows from ordinary operating activities</b>	<b>4,247</b>	<b>44,008</b>	<b>43,496</b>
Financial income received	262	59	0
Financial expenses paid	(22,808)	(23,355)	(32,618)
Income taxes refunded/paid	-	22,847	35,053
<b>Cash flows from operating activities</b>	<b>(26,793)</b>	<b>43,559</b>	<b>45,931</b>
Acquisition etc. of intangible assets	(232)	(227)	(5,521)
Acquisition etc. of property, plant and equipment	(1,289)	(6,147)	(1,268)
Acquisition etc. of financial fixed assets	-	-	53
Proceeds from disposals of plant and equipment	4,824	8,133	6,967
<b>Cash flows from investing activities</b>	<b>3,303</b>	<b>1,759</b>	<b>231</b>
Proceeds from (repayment of) related party borrowings	-	-	-
Leasing	(8,042)	(564)	(9,565)
Repayment of bank debt	28,656	(36,712)	(29,222)
<b>Cash flows from financing activities</b>	<b>10,456</b>	<b>(37,276)</b>	<b>(38,787)</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>(2,876)</b>	<b>8,042</b>	<b>7,375</b>
Cash and cash equivalents at the beginning of the period	16,490	9,100	9,115
<b>Cash and cash equivalents end of the period</b>	<b>13,624</b>	<b>17,142</b>	<b>16,490</b>
Cash and cash equivalents at period end are composed of:			
Cash	13,624	17,142	16,490
<b>Cash and cash equivalents end of the period</b>	<b>13,624</b>	<b>17,142</b>	<b>16,490</b>

## Notes to the consolidated interim financial statements

### Overview notes

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## Notes

### 1. Basis of preparation

This interim financial report comprises condensed unaudited consolidated financial statements of TRESU Investment Holding A/S and its subsidiaries.

As of 21 June 2017, TRESU Investment Holding A/S, ultimately majority-owned by the private equity fund, Altor Fund IV Holding AB, acquired TRESU Investment A/S and its subsidiaries through the purchase of the entire share capital of TRESU Investment A/S, also a Danish company.

The unaudited interim consolidated financial statements for Q3 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and additional Danish disclosure requirements for interim financial reports of listed companies and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual financial statements.

The consolidated financial statements are presented in Danish Kroner, which is the Parent Company's functional currency.

### 2. Changes in significant accounting policies

#### **New standards, interpretations and amendments adopted by the Group**

No additional standards have been implemented in the period, only amendments and improvements to existing standards. These changes have no impact on the Group.

### 3. Use of estimates and judgement

Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in the preparation of these consolidated interim financial statements in conformity with IFRS. Actual results could differ from those estimates.

Impairment test includes estimated future cash flow and discounting rate.

The estimates and underlying assumptions are reviewed on an ongoing basis. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

#### 4. Revenue

DKK'000	Q3 2021	Q3 2020	1/1-30/9 2021	1/1-30/9 2020
Sale of goods	38,529	43,150	144,235	129,357
Sale of service	1,442	1,841	4,344	5,531
Income from contract work in progress (turnkey projects)	47,817	18,516	95,218	98,321
<b>Revenue</b>	<b>87,788</b>	<b>63,507</b>	<b>243,797</b>	<b>233,209</b>

#### Disaggregation of revenue

In the following table, revenue is disaggregated by major products and service lines, geographical market and timing of revenue recognition. As mentioned in Note 2 effects of IFRS 15 have been analysed and it has been concluded that the standard only has an insignificant effect on recognition and measurement concerning revenue.

Reportable segment DKK'000	Revenue external customer			
	Q3 2021	Q3 2020	1/1-30/9 2021	1/1-30/9 2020
<b>Primary geographical markets</b>				
Denmark	3,235	2,684	6,982	5,119
Europe	43,597	35,489	143,599	143,479
Americas	12,182	13,917	24,497	42,982
Asia	22,591	5,945	50,659	29,763
Middle East and Africa	6,134	5,431	17,931	11,740
Other markets	49	41	159	126
	<b>87,788</b>	<b>63,507</b>	<b>243,797</b>	<b>233,209</b>
<b>Major products/service lines</b>				
In-line flexo printing machines	61,492	38,904	155,395	150,648
Ancillary products	26,296	24,603	88,402	82,561
	<b>87,788</b>	<b>63,507</b>	<b>243,797</b>	<b>233,209</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	39,971	45,114	148,579	135,011
Products transferred over time	47,817	18,393	95,218	98,198
	<b>87,788</b>	<b>63,507</b>	<b>243,797</b>	<b>233,209</b>

## 5. Asset held for sale

In Q2, the previous HQ located at Eegsvej 14-16, 6091 Bjert was sold, paid by the new owner and have been removed from asset held for sale. We still own the land located Eegsvej 2-4, 6091 Bjert, but we have signed a conditional agreement that we expect to materialize during 1H 2022.

## 6. Financial instruments

DKK'000	30 September 2021	30 September 2020
<b>Categories of financial instruments</b>		
Deposits	10,082	10,084
Trade receivables	31,256	21,622
Other short-term receivables	4,910	9,960
Prepayments	1,771	4,410
Cash	14,168	17,057
<b>Assets at amortized costs</b>	<b>62,187</b>	<b>63,133</b>
Corporate bonds	519,253	520,103
Finance lease liabilities	100,092	96,386
Non-current other payables	-	-
Bank debt	70,186	34,041
Trade payables	37,156	36,099
Other payables	42,907	48,046
<b>Financial liabilities measured at amortized cost</b>	<b>769,594</b>	<b>734,675</b>

### Financial risks

Financial risks, including market, currency, interest, liquidity, and credit risks are consistent with those disclosed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

## **7. Commitments and contingencies**

The Group has since August 2019 leased the facilities on Venusvej in Kolding.

The Group has paid an initial amount of DKK 10m in deposit.

The lease contract includes a non-termination period until October 2033 and the future minimum payments according to the contract is DKK 98,0m for this period.

## **8. Related parties**

The following parties have a controlling interest:

- Harald Mix, Bragevägen 4, Stockholm, indirect real owner
- Altor Fund IV Holding AB, Stockholm, shareholder, ultimate owner
- TRESU Group Holding A/S, CVR-no. 37752088, Kolding, shareholder, parent

## **9. Subsequent events**

We have as part of securing the future funding in October 2021 successfully extended the final maturity date of the bonds to January 2025, extended the SSRCF agreement until November 2024 and established an unsecured bank guarantee facility agreement amounting to 50 mDKK.

## **10. Accounting policies**

Except as described in note 2, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.